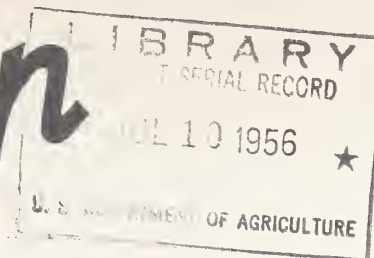


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Foreign



CROPS AND MARKETS

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FOREIGN AGRICULTURAL SERVICE
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FOREIGN CROPS AND MARKETS

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DENMARK'S LEAF TOBACCO IMPORTS UP 1.8 MILLION POUNDS

Denmark's imports of unmanufactured tobacco during the first 3 months of 1956 totaled 6.2 million pounds, 1.8 million pounds larger than the corresponding period of 1955. Most of the increase occurred in larger takings from the United States and Brazil, while combined imports from other sources declined 35 percent from last year.

Denmark: Imports of unmanufactured tobacco during January-March 1956,
with comparisons

Country of Origin	1954	1955	1956
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States.....	2,962	1,166	2,896
Brazil.....	791	1,506	2,172
Indonesia.....	292	587	472
Other European Countries 1/.....	376	156	22
Other Foreign Countries 1/.....	58	957	619
Total.....	4,479	4,372	6,181

1/ Breakdown by country, not available

Source: Denmark's Statistik - Vareomsaitninger Med Udlandt, March 1956

RENEWED WEST GERMAN-BULGARIAN TRADE AGREEMENT INCREASES TOBACCO

The trade agreement of October 4, 1947 between West Germany and Bulgaria was amended by a protocol on May 30, 1956, which is valid from April 1, 1956 through March 31, 1957, according to a recent report. Simultaneously, another protocol was signed on the subject of payments, amending the agreement of November 11, 1947, and providing for payments to be made exclusively in limited convertible Deutsche Marks effective July 1, 1956. The latter agreement will remain effective until revoked.

The new agreement increases the quota of Bulgarian leaf, as one of the items to be exported in exchange for West German industrial goods, from U. S. \$2.5 million in 1955 to U. S. \$3.5 million in 1956. Also, West Germany will accept additional quantities of Bulgarian tobacco, if available, over and above the amount included in the present trade arrangement. West German takings of Bulgarian leaf during 1955 amounted to 1.4 million pounds.

GREEK TOBACCO EXPORTS DOWN

Greek exports of unmanufactured tobacco during the first 3 months of 1956 totaled 23.2 million pounds--down 19 percent from the 28.6 million pounds exported during the corresponding period of 1955. Most of the decline occurred in smaller shipments to the United States, Egypt, France, Belgium, Switzerland, Italy, Portugal and the Netherlands which totaled only 9.2 million pounds in contrast to 16.2 million pounds last year. However, West Germany, Austria, Finland, and Sweden increased their purchases of Greek leaf. Consignments to the Soviet Bloc, totaling 2.2 million pounds, were slightly above the first quarter of 1955. Increased shipments to Communist China, Hungary and Czechoslovakia more than offset the decline in exports to the Soviet Union and East Germany. The consignment of .4 million pounds to Communist China is of interest as exports of Greek tobacco to the Far East have generally been insignificant. Shipments to Czechoslovakia have been resumed once again, following a recent trade agreement concluded between the two countries.

Prices paid for the 1955 crop, which is now estimated at a record high of 209 million pounds of marketable quality, are reported slightly below last year due to both the larger volume and lower quality. To assist growers and support prices, the Greek Government has decided to purchase about 23 million pounds of tobacco through the agency of merchants and the Cooperative Union of the Tobacco Growers of Greece. Exportable supplies from the 1955 crop are estimated at 180 million pounds, which would still leave over 25 million pounds for domestic requirements.

Plantings of the 1956 crop are reportedly under way, but the acreage is not expected to exceed the 1955 crop of 316,000 acres due to damping-off of young plants. In some areas growers will have insufficient plants due to this condition. In the Argos area, the tobacco plants are well developed and it is anticipated that this area will produce high yields. Sales by farmers of the 1955 crop through May totaled 153.5 million pounds.

NEW TOBACCO FIRM SEEKS TO
COMMENCE PRODUCTION IN NEW ZEALAND

A new British tobacco firm has submitted a petition to the New Zealand Tobacco Board to commence production in that country, according to a recent report. The new firm has requested the board to grant it exemption for 2 years from the requirements of using a minimum of 30 percent domestic leaf in the manufacture of cigarettes. For this concession, the new firm proposes to use not less than 1 percent of domestic leaf during the first 2 years and would make up the deficiency between domestic and imported leaf during the next 5 years. The application for exemption has been approved and supported by the grower representatives of the board.

CANADIAN TOBACCO EXPORTS DOWN 6.5 MILLION POUNDS

Canadian exports of unmanufactured tobacco during the first quarter of 1956 totaled 17.6 million pounds, 6.5 million pounds below the comparable period last year. Shipments to the United Kingdom were 7.7 million pounds under the January - March 1955 exports of 21.7 million pounds. However, shipments to other Commonwealth countries (Australia and British West Indies) and non-Commonwealth countries (West Germany, Belgium, Denmark and the Netherlands) increased 524,000 and 638,000 pounds, respectively, over the first quarter of 1955.

Shipments of flue-cured to the United Kingdom declined 3.8 million pounds from the 21.7 million pounds exported in the first quarter of 1955. Flue-cured shipments to other countries increased 1.2 million pounds. During the first quarter of 1956 exports of Burley and dark fire-cured, destined principally to the United Kingdom, both exceeded the previous calendar year totals.

BELGIAN OUTPUT OF TOBACCO PRODUCTS UP

Output of tobacco products by Belgian tobacco manufacturers during 1955 totaled 50.1 million pounds, .5 million pounds greater than 1954, but approximately the same as production in 1953 and 1952. Cigarette output continued upward totaling 9.2 billion pieces as compared with 8.8 billion produced in 1954. Production of cigars and cigarillos were 10 and 9 percent above the 1954 levels of 110.7 and 483.7 million pieces, respectively. The output of smoking mixtures, totaling 21.2 million pounds, continued downward.

CHILE MAY INCREASE LEMON EXPORTS

Due to the abundant lemon crop, the Minister of Agriculture in Chile has requested the Ministry of Economy to increase the lemon export quota from 29,000 boxes to 174,000 boxes a year.

U. K. APPLE AND PEAR PROSPECTS GOOD

The United Kingdom Ministry of Agriculture in its mid-June report states that fruit crop prospects are moderate to good. The apple crop is likely to be larger than last year because of good prospects for cooking apples. The outlook for Cox is better than in 1955, but Worcester Pearmain is likely to be below the high level of recent years. The outlook for pears is good.

AUSTRIA IMPORTS LARGER
QUANTITIES OF LIBERALIZED
FRUIT ITEMS

On July 15, 1955, Austria liberalized imports from dollar areas of lemons and limes; and fruit and berry juices, unsweetened when packed in barrels or bottles. Imports of lemons from the United States amounted to only \$46,000 July-December 1954 and \$300,000 in the liberalized period July-December 1955. Imports of fruit and berry juices in barrels amounted to only \$230 in the last 6 months of 1954, and \$10,300 in the last 5 months of 1955.

BRITISH COLUMBIA
APPLE CROP SMALLER

In 1956 apple crop in British Columbia is estimated to be 27 percent below that of last year, according to a June 15 report of the British Columbia Department of Agriculture.

NORWAY LIBERALIZES
LEMONS AND GRAPEFRUIT

As of July 1, lemons and grapefruit in Norway will be on the free list from dollar areas.

ARGENTINE WOOL EXPORTS
FIRST 8 MONTHS 1955-56 TOTALED
243 MILLION POUNDS

Argentine wool exports totaled 243 million pounds, greasy basis, during the first 8 months of the wool season which began October 1, 1955. In addition, export permits have been granted for 22 million pounds and nearly 2.5 million pounds have been reserved for the U.S.S.R. France is in the process of buying about 9 million pounds and Japan 7 million pounds.

Assuming that about 90 million pounds, greasy basis, will be used this season by the textile industry in Argentina, the quantities of wool marketed or contracted for sale through May 1956 exceeded the supply available from the new clip. Thus, the quantities available for export sale between June 1 and September 30 were some 15 million pounds below the level of carry-over stocks of last October 1. Estimates of the October 1, 1955 carry-over from different sources vary from 60 million to 132 million pounds, greasy basis.

EXPORTS OF ANIMAL BY-PRODUCTS TO THE NETHERLANDS MUST MEET NEW REQUIREMENTS

All animal by-products (used in animal feeds) imported or in transit to The Netherlands are to be covered by a special certificate showing the nature of the product, the weight, the marks, the exporter, the place of destination, etc. It also lists the requirements in regard to the method of processing of the product. This requires heating the product in a moist atmosphere for not less than one hour at a temperature of at least 115° centigrade, rising to 125° centigrade, or by dry heating for not less than 4 hours at a temperature of at least 105° centigrade. Such a certificate has to be issued by the United States Department of Agriculture for exports to The Netherlands.

ANOTHER INCREASE IN ARGENTINE CATTLE PRICES

Although cattle prices in Argentina were increased last fall a further price advance of 20 percent has been announced. This new increase will not effect the price of meat consumed in the domestic market. Despite this new measure prices of steers still lag behind prices of grains.

The government has dropped the 17 percent retention of foreign exchange earned from beef exports. This measure will permit packers compensation for the higher prices they must now pay for steers.

DANISH MEAT PRODUCTION AND EXPORTS DECLINE DURING FIRST QUARTER

There was a 12 percent decline in total production of meat in Denmark during the first quarter of 1956 compared with the same period of last year. The reduction was caused by a 19 percent drop in pork production. However, during the period output of beef and veal increased 7 percent.

Exports of meat for the first quarter of 1956 were 18 percent below the comparable period a year earlier. The reduction in exports is attributed to the decline in Danish meat production.

The large drop in the export of fresh pork from 13,529 metric tons in the first quarter of 1955 to 2,356 metric tons during the first quarter of 1956 was the result of low production and attempts to maintain a satisfactory level of wiltshire side shipments to the United Kingdom. The exports of canned hams also decreased from 3,839 metric tons to 2,629 metric tons. This decline was due mainly to the smaller shipments to the U. S.

BRITISH HONDURAS LIFTS
VE BAN ON U.S. PORK

The Government of Honduras cancelled its restrictions on the imports of pork products from the United States on May 15, 1956, and will permit such imports subject to license from the Department of Agriculture at Belize. This action was due to the successful control of the VE disease of hogs in the United States.

Since November 1953 the Import Control Office has required importers to have documents stating that all uncooked pork products imported were produced in an area free from the hog disease, Vesicular Exanthema. This requirement has effectively prevented imports of such pork from the United States.

United States' exports to British Honduras in 1953, included 223,000 pounds of pork of which 148,000 were pickled and cured. Exports of pork in 1955 totaled only 59,000 pounds, made up largely of cooked hams and shoulders and canned sausage.

Beef exports to British Honduras from the United States last year totaled 180,000 pounds. By comparison the exports in 1953 amounted to 63,000 pounds. Beef exports were not affected by the pork embargo of November 1953.

BRITISH TARIFF ON DANISH BACON MAY HAVE
SERIOUS EFFECT ON DENMARK'S LIVESTOCK INDUSTRY

The United Kingdom's decision to impose a 10 percent tariff on Danish bacon beginning October 1 has raised the question of domestic prices in Denmark. It is a question whether the 10 percent additional tariff should be included in the domestic price. At present, prices paid by the domestic consumer are based on the average export price. Such a decision will effect the income of the farmer, the competitiveness of the canned meat industry and the cost of living of all segments of the community. The issue is serious enough to necessitate government intervention.

ARGENTINA EXPORTS OF LIVESTOCK PRODUCTS
FOR JANUARY-MAY VALUED AT 220 MILLION DOLLARS

Argentina's exports of livestock and livestock products were valued at an amount equivalent to 222 million dollars during the first 5 months of 1956. Meat exports accounted for 48 percent of these shipments, wool 34 percent, hides 8 percent, dairy products 6 percent, and by-products 4 percent. In total, livestock and livestock products represented about 66 percent of all exports from Argentina during the first 5 months of 1956.

MEXICO'S 1956 COTTON CROP
TO BE SMALLER THAN 1955

Cotton production in Mexico during 1956-57 is currently estimated at 2,050,000 bales (500 pounds gross), a reduction of 9 percent from the record 1955-56 crop of 2,250,000 bales. The reduction in acreage, however, amounted to 19 percent, dropping from 2,700,000 acres harvested in 1955-56 to approximately 2,200,000 for 1956-57. Reduction of cotton acreage was the result of credit restrictions in marginal areas, and a shift to other crops in certain regions. The average yield per acre is expected to be about 12 percent higher this year than last, due to the additional factors of favorable weather, greater use of fertilizers, and better control of insects.

The first bale from the current Mexican crop was ginned in Matamoros, June 13, 1956. The weather has been favorable in most districts, particularly in Matamoros, where even the dry land is producing a good yield. The most important decline in production is in the West Coast states of Sonora and Sinaloa, where a reduction of about 32 percent is expected as a result of a shift to wheat. Declines are also forecast in Mexicali, Monterrey, and Tecoman, but increased production is expected in Matamoros, Laguna, Delicias, Juarez, and La Paz.

MEXICO: Cotton production by regions, revised estimate for
1955 and forecast for 1956

Region	State	Area Harvested		Production 1/	
		1955	1956	1955	1956
		1,000	1,000	1,000	1,000
		acres	acres	bales	bales
West Coast.....	Sonora-Sinaloa.....	749	445	640	433
Mexicali.....	Baja California.....	482	371	428	408
Matamoros.....	Tamaulipas.....	725	667	454	474
Laguna.....	Coahuila-Durango.....	319	309	396	402
Delicias.....	Chihuahua.....	173	173	197	214
Juarez and					
Villa Ahumada....	Chihuahua.....	46	49	34	39
La Paz.....	Baja California.....	25	25	28	31
Monterrey.....	Nuevo Leon.....	37	37	17	8
Nuevo Laredo.....	Tamaulipas.....	37	37	14	12
Don Martin(Anahuac)..	Nuevo Leon-Coahuila....	37	37	9	8
Tecoman.....	Colima.....	37	25	17	5
Other.....	33	25	16	16
Total.....	2,700	2,200	2,250	2,050
1/ Production in bales of 500 pounds gross.					

Source: Unofficial estimates

Export availability from Mexico's 1956-57 crop is expected to be about 1,500,000 bales, as compared with anticipated exports of about 1,900,000 bales during August-July 1955-56, the highest on record. Exports during the first 9 months (August-April) of the 1955-56 marketing year have amounted to 1,787,000 bales, or 64 percent greater than exports of 1,090,000 bales in the comparable period of 1954-55.

Approximately 68 percent of Mexico's cotton exports during August-April 1955-56 moved through United States ports for transshipment to other countries. Cotton thus transshipped is shown on Mexico's trade records as exports to the United States, but only 18,500 bales of Mexican cotton are permitted to enter the United States annually for consumption, under terms of the United States quota for imports of Upland-type cotton.

Principal destinations of Mexico's cotton exports (excluding those through United States ports) during August-April 1955-56, with comparable figures for 1954-55 in parentheses were: Japan 278,000 bales (236,000); Western Germany 121,000 (17,000); United Kingdom 40,000 (14,000); Netherlands 36,000 (19,000); Belgium 25,000 (20,000); and Canada 24,000 (800).

Mexico's cotton transshipments through the United States (Department of Commerce figures) in August-April 1955-56 were destined principally to the following countries, with comparable figures for 1954-55 given in parentheses: Western Germany 258,000 bales (114,000); Japan 237,000 (235,000); United Kingdom 169,000 (98,000); Netherlands 128,000 (93,000); Belgium 103,000 (108,000); Italy 62,000 (17,000); Sweden 55,000 (21,000); Australia 22,000 (none); and Switzerland 21,000 (21,000). Rail shipments of cotton to Canada are not reported in transshipment statistics, but an indication of present volume is shown by Canada's imports from Mexico during August-March 1955-56, which amounted to 196,000 bales as compared with only 4,000 bales in August-March 1954-55.

Cotton consumption in Mexico is expected to increase during 1955-56 to an approximate 460,000 bales or 10 percent more than the 1954-55 use of 420,000 bales. There is little consumption of cotton in Mexico other than mill consumption.

Stocks from the 1955 crop are at a low level. The trade estimates that stocks available for export by the end of May were about 45,000 bales of which probably 10,000 bales were to be shipped in June. This would leave a carryover from the 1955 crop by June 30 of not more than 35,000 bales, plus stocks at mills. Stocks in all locations on June 30, 1955, were estimated at 160,000 bales.

Cotton prices at Torreon rose during March 1956 to the highest level for the year, but declined again in April to the February level. The price at Torreon on June 15 for immediate delivery was reported to have been from

25.0 to 25.5 cents a pound for Strict Middling 1-1/16 inches, which apparently was the price quoted to buyers for Mexican mills. This is equivalent to a price for the farmer of from 317 to 324 pesos per quintal of 46 kilograms. Farmers are now being offered from 275 to 280 pesos per quintal (21.7 to 22.1 cents a pound) for new crop cotton to be delivered in September, but they are unwilling to sell at this price. They requested some relief from the government in the form of a reduction in the export tax, and effective July 1, 1956, the official price on which the cotton export tax is based was lowered from 6.55 to 4.60 pesos per gross kilogram. The ad valorem rate remains at 22.44 percent. The export tax is thus reduced to about 3.75 U. S. cents a pound.

Average monthly quotations for Middling 15/16 inch staple at Torreon during the last 3 crop years were as follows.

MEXICO: Average monthly prices for Middling 15/16 inch staple cotton at Torreon, July 1953-April 1956 1/

(U. S. cents per pound)

Month	1953-54	1954-55	1955-56
July.....	27.55	27.14	25.12
August.....	27.08	28.75	25.44
September.....	26.77	29.95	23.98
October.....	27.19	29.42	23.44
November.....	28.11	28.40	22.86
December.....	28.33	27.96	22.67
January.....	28.31	27.62	23.50
February.....	29.94	27.04	25.42
March.....	31.13	2/	28.56
April.....	31.77	28.16	25.64
May.....	29.20	25.76	
June.....	25.94	25.64	

1/ Prices exclude export tax of 5.54 cents per pound prior to July 1955, and 5.34 cents thereafter. 2/ Not available.

A sharp reduction in France's imports of United States cotton was registered during the first 9 months of the 1955-56 marketing year, with imports of only 118,000 bales (500 pounds gross) during that period, representing a decline of 67 percent from imports of 361,000 bales during August-April 1954-55. Total imports from all countries declined by only 11 percent, from 1,035,000 bales imported during August-April 1954-55 to 922,000 bales in the current period.

Imports from the United States were very low all season until April when the first arrivals began of the short staple cotton purchased at reduced prices from Commodity Credit Corporation (CCC) stocks. Imports from Syria, Pakistan, Greece, Mexico, and Egypt all increased appreciably this season to replace United States cotton.

FRANCE: Imports of cotton from major countries of origin,
average 1935-39, crop years 1952-54, August-April 1954-55 and 1955-56
(Bales of 500 pounds gross)

Country of Origin	(Sales of 500 pounds gross)					
	Year beginning August 1				August-April	
	Average: 1935-39:	1952	1953	1954	1954-55	1955-56
	-	-	-	-	-	-
	1,000 bales					
Argentina.....	0	1/	3	6	6	0
Brazil.....	90	8	117	65	57	13
Egypt.....	243	301	205	146	111	121
French Colonies.....	36	152	157	194	146	150
Greece.....	2/	1	15	18	17	48
India.....	194	92	10	13	8	14
Iran.....	2/	3/	14	63	49	54
Mexico.....	2/	9	4	13	12	32
Pakistan.....	4/	4/	73	40	25	72
Peru.....	5/9	6/37	26	29	21	24
Sudan.....	2/	13	29	31	21	25
Syria.....	2/	2	100	148	124	169
Turkey.....	2/	142	52	59	35	35
Uganda.....	2/	3/	2/	5	4	2
United States.....	669	523	451	443	361	118
U. S. S. R.....	2/	2/	25	39	28	23
Other countries.....	49	4	33	23	10	22
Total.....	1,290	1,284	1,314	1,335	1,035	922

1/	Included with Brazil.	2/	If any, included in other countries.
3/	Included with Turkey.	4/	Included with India.
6/	Includes Paraguay.	5/	4-year average.

Source: Ministry of Industry and Commerce, Agricultural Attaches, and other United States representatives abroad.

Cotton consumption in France during the first 8 months (August-March) of the 1955-56 season declined 10 percent from the comparable period last year, amounting to 804,000 bales this year as compared with 897,000 bales in August-March 1954-55. Much of this decline was attributed to the loss of textile export markets, particularly in the French Overseas Territories.

Exports of cotton products by France usually account for 1/4 to 1/3 of production, about 15 percent in the form of yarn and the balance as fabric. Nearly 95 percent of these exports usually are to French Overseas Territories. With the loss of most of the French Indochina market and much of the market in North Africa, exports of cotton textiles during January-March 1956 declined about 50 percent from those of a year earlier. This is roughly equivalent to a 12 to 16 percent reduction in the total market for textiles. Domestic consumption of cotton textiles continues to increase gradually, compensating partially for the loss of export markets.

A sharp decline in the use of United States cotton by France was reported for the period August-March 1955-56, when the percent of total cotton consumption dropped to 19 percent as compared with 37 percent of the total in August-March 1954-55. Comparison of consumption levels of several recent years is given in the following table.

FRANCE: Cotton consumption, August-March 1952-53 to 1955-56
(Bales of 500 pounds gross)

8 months	:		:	Source	:	Percent
August-March	:	Total	:	U. S.	:	U. S.
	:	1,000	:	1,000	:	
	:	bales	:	bales	:	
	:		:		:	
1952-53.....	:	762	:	218	:	29
1953-54.....	:	895	:	320	:	36
1954-55.....	:	897	:	328	:	37
1955-56.....	:	804	:	153	:	19

Cotton stocks in France on March 31, 1956, were reported at 309,000 bales, down about 10 percent from stocks of 342,000 bales held August 1, 1955. Stocks of United States cotton were 31,000 bales or 10 percent of the total on March 31, as compared with 98,000 bales or 29 percent of the total held at the beginning of the 1955-56 season.

Prices for most growths generally declined in 1955 and reached a low point in about December. During the first quarter of 1956 most prices rose but dipped again in April prior to the announcement of CCC auction sales. After the announcement about May 1 of the prices of the first CCC auction, prices of most other growths rose above the late April level. The only exceptions were French Colonial cotton, the price of which remained about the same, and Turkish cotton which had been priced artificially high under bilateral trading. Egyptian prices also have not followed the general trend, but have risen continuously and sharply by 60 to 70 percent since January, and began to drop during the first week of June. Comparative prices for recent dates were as follows:

FRANCE: Cotton prices, ex warehouse, French port, 1955-56

(U. S. cents per pound)

Source, variety	: Equiv. U. S. : : grade staplel/	1955		1956	
		Jan. 3	Dec. 6	Apr. 21	June 9
US SM 1".....	SM 1".....	42.12	42.12	44.19	43.03
Mexico SM 1".....	SM 1".....	42.12	38.23	35.12	37.32
Brazil, Type 3/4.....	SM 1".....	45.88	42.90	34.08	38.23
Peru, Tanguis.....	SM 1-1/8".....	49.12	41.34	43.55	45.62
Syria, Texas.....	SM 1-1/16".....	42.38	34.47	38.36	38.75
Egypt, Karnak 151....	2/.....	72.71	62.60	78.93	96.81
Egypt, Ashmouni 2....	SM 1-1/32".....	51.97	38.10	56.63	62.99
French Colonies 3/....	SM 31/32 to 1"...	41.99	34.86	37.19	36.81
Uganda B.P. 52.....	GM 1-1/8".....	47.04	41.60	45.36	50.03
Pakistan, saw gin....	SM 1" full.....	44.45	36.55	38.49	39.53
Pakistan, roller gin..	SM 1" full.....	42.38	34.73	36.16	37.32
Turkey, Akala Izmir 1:	SM 1-1/16".....	45.10	54.82	58.58	55.99
Turkey, Adana Prima...	SM 31/32".....	42.77	52.88	56.63	53.91

1/ Quality comparisons in terms of U. S. Standards are the opinions of French trade sources. Such comparisons are usually done independently by cotton firms in various countries, and no individual list is internationally recognized. 2/ Not available. 3/ Average between Allen 1st and Triumph 1st.

Source: Commission for Cotton Purchase Control, Paris.

APRIL SOYBEAN SHIPMENTS THROUGH SUEZ CANAL REMAIN AT HIGH LEVEL

Northbound soybean shipments through the Suez Canal totaled 2.6 million bushels in April, up about 18 percent from the same month in 1955. Total 1956 soybean shipments through April were almost 9.9 million bushels as compared with 8.7 million during the same 4-month period of 1955.

The total of all oilseed and oil-bearing material shipments, including soybeans, had increased considerably, reaching 1,048,000 short tons at the end of April as compared with 788,000 tons through the end of April last year. The major increase, besides that in soybeans, came in increased shipments of peanuts, which were up more than two-thirds, and of copra, up one-fifth from 1955.

The movement of vegetable oils northward through the Suez Canal totaled 205,000 tons for the first four months of 1956. This is about equal to the quantity shipped during the January-April period of 1955.

PERU'S OUTPUT OF FATS AND OILS MAY INCREASE;
NEED FOR IMPORTS TO CONTINUE

Peru's production of fats and oils is expected to increase slightly in 1956, with a fairly sharp recovery in the production of cottonseed oil more than offsetting an expected decline in lard. The fat nutrient in Peru's diet continues low, however, and limited prospects for both lard and cottonseed production point to the need for gradually increasing imports in the next few years, at least. Imports in 1956 of edible fats and oils are expected to be 10 percent above 1955, and the increase is expected to be chiefly in vegetable oils.

Production of edible fats and oils in 1955, estimated at 30,620 short tons, including 25,660 tons of cottonseed oil and 4,960 tons of lard was 6 percent less than in 1954. Thus output of fats and oils declined significantly in both the animal and vegetable categories.

Cottonseed oil production in 1956 is provisionally forecast at 26,455 tons, reflecting an expected increase of at least 3 percent in cottonseed production. This volume of production would approximate the previous record in 1954. The increase will depend, of course, on the outcome of the cotton crop. There is no significant production of other vegetable oils in Peru.

A factor tending to favor a possible additional increase in 1956 production is the tentative plan to install an oil processing plant near Tarapoto, in San Martin Department, where a pilot plant recently has started operating on a large accumulated inventory of cottonseed.

The long-term outlook for cottonseed oil production continues only moderately favorable. A by-product of the cotton crop, it is significant that the production of cottonseed is expected to increase only gradually in the next 4 to 8 years. Not only is the area presently accessible and suitable to cotton production limited, and mainly in coastal valleys, but the constantly increasing damage and threats of damage from insects is forcing producers to divert to or rotate cotton with other crops. The acreage of suitable cotton land included in the new areas being brought under irrigation may not much more than offset these shifts. Increasing costs of fertilizers and insecticides are being carefully weighed against prospective returns from cotton compared with other crops and livestock enterprises.

In Peru's program to divert, there already has been a significant increase in the area planted to castor beans. Important plantings have been made near Chiclayo, Pisco and in other coastal and northern interior valleys, especially on lands believed to be marginal for cotton.

Castor production this year is expected to equal 5,000 to 6,000 tons, mostly for export, compared with a 1954 production estimated at barely 2,200 tons and exports of 728 tons, bean equivalent. If returns prove satisfactory, production may increase to around 10,000 to 15,00 tons annually within the next 5 years.

Lard production in 1956 is expected to decline to around 4,400 tons. The quantity of corn and other feedstuffs available for hog feeding undoubtedly will be sharply reduced principally as a result of the Andean drought. The long-term outlook for lard production continues unfavorable, with returns from poultry production sufficiently high to attract most of the limited feed grain supply to that industry.

PERU: Edible fats and oils, vegetable and animal origin,
supply and distribution, annual 1953-1955
and forecast 1956.

(Short tons)

	1953	1954	1/ 1955	Forecast 1956
<u>Supply</u>				
Production.....	28,680	32,720	30,620	30,915
Imports.....	10,980	9,065	15,000	16,535
Total supply.....	39,660	41,785	45,620	47,450
<u>Distribution</u>				
Exports.....	15	28	10	10
Consumption.....	39,645	41,757	45,610	47,440
Total distribution...	39,660	41,785	45,620	47,450
1/ Preliminary				

Compiled from official and unofficial sources.

Despite the decline in production, supplies of edible fats and oils in Peru in 1955, at an estimated 45,635 tons, were about 9 percent greater than in 1954, and there was a slight increase in the total per capita fat content of all foodstuffs available. Sharply increased imports, mainly of lard but also including vegetable oils, more than offset the effects of production declines and of population increase on per capita supplies. Such supplies, averaging 35 grams (.08 pound) per person per day, were slightly higher than a year earlier and the largest in 4 years, at least.

This level of supplies, however, is still less than 60 percent of the recommended fat allowance. The chronic shortage of fats is particularly significant when it is considered that the most acute shortage in fat-containing foods is found in the populous Andean regions where the nights are cold the year around.

The available supply of animal and vegetable fats and oils in 1956 is forecast at about 47,400 tons, an increase of 4 percent from 1955. However, this increase is not expected to offset the decline in the fat content of other available foodstuffs. The per capita supply of fats and oils--when taking into account the content of all foodstuffs--in 1956 is expected to be about 2 percent below that of a year earlier.

Imports of edible fats and oils in 1955, estimated at 15,000 tons, were greater than in either of the 2 preceding years. Imports in 1956, forecast at 16,500 tons, are expected to reflect the gradual increase of Peru's dependency on imported oils. Most of the increase in 1956 is expected to be in vegetable oils.

The most significant import of vegetable oils in the first half of 1956 was the completion of deliveries of over 3,300 tons of cottonseed oil in January and February, under Title I of Public Law 480. While imports of cottonseed oil have since been limited, there have been imports of palm and olive oils from Western Europe. Vegetable oil imports recently have declined but heavy imports are expected to be made after mid-year.

Lard imports during the first 5 months totaled over 4,300 tons, with over 2,645 tons from the United States. The extent of the increase in lard imports, late in 1956, will depend mainly on the relative attractiveness of lard prices compared with prices of vegetable oils.

Both wholesale and retail prices of margarine have remained substantially unchanged during the last 12 months, while prices for cottonseed oil and vegetable shortening have shown a marked tendency to increase. Prices for lard also remained substantially unchanged during most of 1955.

Peru's prices for lard continue somewhat above those for vegetable fats and oils. This situation is the result of several factors: (1) the price of locally produced cottonseed oil is controlled by industry-Government agreement and local production still supplies the bulk of the national needs; (2) most of the lard consumed is imported and prices necessarily are in line with world markets; and (3) there clearly appears to be a preference for lard over vegetable oils, at least by some users and for some uses.

UNITED STATES WHEAT AND FLOUR EXPORTS MUCH HIGHER THAN YEAR AGO

Latest indications are that United States combined exports of wheat and flour during the 1955-56 (July-June) marketing season will amount to approximately 340 million bushels (grain equivalent) compared with 274 million bushels in 1954-55, according to the United States Department of Agriculture's Foreign Agricultural Service. Official figures show that exports during the first 10 months (July-April) of the season amounted to 245 million bushels against 228 million bushels in the same period a year ago. Unofficial records indicate that exports during May reached 50 million bushels and that they will amount to approximately 45 million bushels in June.

At the estimated level of 340 million bushels, the nation's 1955-56 exports of wheat and flour would be the highest since 1951-52 when they amounted to 475 million bushels. The average for the 5-year period (1945-46/1949-50) immediately following the end of World War II was 415 million bushels. This compares with the prewar (1934-35/1938-39) average of 46 million bushels.

Wheat in the form of grain accounted for 204 million bushels of the combined wheat and flour exports during the first 10 months (July-April) of the current season compared with 190 million bushels in the same period a year ago. Largely because of greatly reduced exports to the Federal Republic of Germany, the United Kingdom and Yugoslavia, the total quantity shipped to European markets during this 10-months period shows a reduction of more than 21 million bushels. On the other hand, exports to Western Hemisphere markets increased by 16 million bushels and those to African markets by 15 million. Total shipments to Asiatic destinations show an increase of only 4 million bushels.

Exports in the form of flour during this same 10-months period amounted to 41 million bushels grain equivalent compared with 38 million bushels a year ago. The most notable feature of the country's flour export trade during the period under review was the substantial increase in exports to Indo-China (Vietnam, Laos and Cambodia). Substantially increased flour exports are recorded also to Venezuela, Italy and the United Kingdom.

United States Exports of Wheat and Flour During Stated Periods

Destination	July-April 1954-55			July-April 1955-56		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
(Thousands of bushels, grain equivalent)						
Western Hemisphere						
Canada.....	2	74	76	1,672	209	1,881
Mexico.....	13	8	21	3,918	11	3,929
Central America.....	437	2,988	3,425	687	3,224	3,911
Cuba.....	1,245	3,053	4,298	1,667	2,906	4,573
British West Indies....	-	2,161	2,161	-	1,988	1,988
Other Caribbean.....	13	1,902	1,915	17	1,651	1,668
Colombia.....	191	226	417	2,072	87	2,159
Venezuela.....	194	2,984	3,178	81	3,973	4,054
Peru.....	1,209	120	1,329	3,304	180	3,484
Bolivia.....	2,045	1,096	3,141	1,194	949	2,143
Chile.....	-	57	57	1,388	4	1,392
Brazil.....	8,764	5	8,769	13,911	885	14,796
Others.....	211	1,109	1,320	586	1,094	1,680
Total.....	14,324	15,783	30,107	30,497	17,161	47,658
Europe						
Norway.....	4,721	1,165	5,886	1,587	1,112	2,699
United Kingdom.....	22,727	451	23,178	15,098	1,269	16,367
Netherlands.....	8,825	3,552	12,377	14,818	2,759	17,577
Belgium-Luxembourg....	6,427	13	6,440	4,182	16	4,198
West Germany.....	20,115	63	20,178	11,745	1	11,746
Spain.....	2,254	-	2,254	1,270	-	1,270
Portugal.....	1,309	167	1,476	1,939	291	2,230
Italy.....	761	50	811	2,925	983	3,908
Yugoslavia.....	35,435	9	35,444	29,739	9	29,748
Greece.....	12,071	2	12,073	11,014	6	11,020
Others.....	2,624	86	2,710	1,825	155	1,980
Total.....	117,269	5,558	122,827	96,142	6,601	102,743
Asia						
Turkey.....	6,616	-	6,616	2,571	-	2,571
Lebanon.....	11	2,810	2,821	-	2,558	2,558
Israel.....	7,259	7	7,266	6,623	8	6,631
Saudi Arabia.....	232	1,607	1,839	294	1,689	1,983
India.....	4,979	48	5,027	3,405	37	3,442
Pakistan.....	288	2	290	4,537	-	4,537
Indo-China.....	-	-	-	-	1,299	1,299
Philippines.....	1	4,403	4,404	-	4,043	4,043
Korea.....	1,843	548	2,391	3,722	-	3,722
Formosa.....	5,116	-	5,116	5,792	6	5,798
Japan.....	28,283	708	28,991	32,577	1,019	33,596
Others.....	1,026	1,890	2,916	213	1,470	1,683
Total.....	55,654	12,023	67,677	59,734	12,129	71,863
Africa						
French North Africa....	-	3	3	732	391	1,123
Egypt.....	-	1,009	1,009	13,740	420	14,160
Canary Islands.....	219	-	219	1,849	-	1,849
British West Africa....	-	1,960	1,960	-	2,090	2,090
Union of South Africa..	1,767	-	1,767	702	-	702
Others.....	796	1,338	2,134	767	1,198	1,965
Total.....	2,782	4,310	7,092	17,790	4,099	21,889
Miscellaneous						
Oceania.....	-	7	7	-	14	14
Unspecified.....	-	84	84	4	858	862
Total.....	-	91	91	4	872	876
World total.....	190,029	37,765	227,794	204,167	40,862	245,029

1/ Wholly of U. S. wheat

ARGENTINA'S EXPORTS OF BUTTER, CHEESE AND CASEIN

During the first quarter of 1956, Argentina exported 12.1 million pounds of butter, compared with 4.9 million pounds in the corresponding quarter of 1955. The principal outlet was the United Kingdom which took 7.1 million pounds as against 3.3 million pounds a year ago. Exports to France rose to 3.4 million from 64,000 pounds last year. Shipments to Western Germany were heavier - 778,000 pounds in January-March, 1956, as compared to 44,000 pounds in the same period a year ago. Exports to Peru, Italy and North Africa declined.

Exports of cheese rose from 1.5 million pounds to 2.0 million pounds. The largest shipment was made to the United States, 1.1 million pounds, compared with 445,000 pounds in the earlier year. Exports to Venezuela dropped from 730,000 pounds to 454,000 pounds. Other outlets were Peru, Brazil, Canada, Belgium, Panama and Mexico.

Casein exports declined from 25.2 million pounds to 14.4 million pounds. The United States took 9.7 million pounds, but this was only about half of the shipment made in the previous year. Exports to the United Kingdom declined from 873,000 pounds to 363,000 pounds. Sales of slightly less than one million pounds were made to Western Germany in both years. Among other markets were Belgium, Italy, Japan, Mexico, Norway and Sweden.

DECLINE IN AUSTRALIA'S AND NEW ZEALAND'S SHIPMENTS OF BUTTER AND CHEESE TO THE U. K.

Arrivals of Australian butter and cheese in United Kingdom ports in May were considerably smaller than in the preceding month, although above the 1955 level. Butter imports in May amounted to 9.2 million pounds, compared with 16.6 million pounds a month earlier. In May, 1955, imports were 5.8 million pounds.

Imports of Australian cheese in May 1956, amounted to 3.9 million pounds. None was imported during April. Imports a year ago were 2.7 million pounds.

May arrivals of New Zealand butter and cheese were also appreciably lighter than in the previous month. Imports of butter at 14.0 million pounds were down 22.0 million pounds from April and 10.0 million pounds below May 1955.

Cheese imports declined to 15.7 million pounds in May 1956 from 19.0 million pounds a month earlier and 17.2 million pounds in May 1955.

Somewhat larger shipments of butter were expected to arrive in June from both sources.

FRANCE REPORTS MORE BUTTER IMPORTS IN 1956

In the January-March quarter of 1956, France imported 17,220,000 pounds of butter, compared with 137,000 pounds in the same months of 1955. This unusually large importation was necessary because of the heavy French exports in the early summer of 1955, the decrease in butter production during the drought in the late summer of 1955 and apparently some increase in consumption. Denmark was the chief supplier with 5.0 million pounds, followed by Argentina (3.7 million pounds), New Zealand (2.5 million pounds) and the United States (2.2 million pounds). Because of the shortage, butter exports dropped sharply from 11.3 million pounds in the first quarter 1955 to 1.6 million pounds in the first quarter this year, and went mostly to Algeria, Western Germany and Switzerland.

Imports of cheese at 6.8 million pounds were the same in the first quarter of both years. In the first quarter, 1956, Switzerland was the chief supplier with approximately 3.0 million pounds, most of which was Emmenthal cheese. Exports of cheese were down from 11.3 million pounds last year to 10.5 million pounds this year and consisted largely of various soft types (7.4 million pounds), Emmenthal (1.9 million pounds) and Roquefort (about 1.0 million pounds). The principal markets were Algeria and Morocco.

LEBANON FREES DAIRY EXPORTS FROM LICENSE

On June 8, 1956, the Ministry of National Economy in Beirut, Lebanon, announced that milk and dairy products (Tariff numbers 22 and 26) will no longer require an export license. Lebanon exports small quantities of butter and cheese to neighboring Middle East countries. In 1955, totals of 8,300 pounds of butter and 157,000 pounds of cheese were exported to these markets. Lebanon's principal dairy import is cheese. Slightly over 5 million pounds of cheese were imported in 1955, one-half of which was supplied by Syria. In 1955, butter intake totaled 1.1 million pounds, supplied principally by various western European exporters and Australia.

ARGENTINE 1956 BUTTER PRODUCTION FORECAST AT 134 MILLION POUNDS; EXPORTS ABOVE YEAR AGO

Argentine butter production for 1956 is forecast at 134 million pounds, or equal to the peak production of 1954. Butter exports for the current year are forecast at 33 million pounds, based on the January 1-May 19 figure. During this period, exports totaled 18.3 million pounds, 66 percent above the same period in 1955. Of the new butter quota of 2.2 million pounds announced in June, 1.1 million pounds has been earmarked for Algeria.

SLIGHT INCREASE IN 1956 EXPORTS OF DAIRY PRODUCTS FROM THE NETHERLANDS

Exports of butter from the Netherlands in the first quarter of 1956 dropped 11 percent below the corresponding quarter last year, but exports of all other dairy products, with the exception of non-fat dry milk solids, were well maintained.

Shipments of butter in the January-March quarter, 1956, amounted to 15.6 million pounds, of which approximately 30 percent went to the United Kingdom. Heavy shipments were also made to Belgium (4.1 million pounds) and Western Germany (1.7 million pounds), although these were considerably below first quarter, 1955, shipments of 6.3 million pounds and 4.9 million pounds, respectively. Sales to France increased to 2.2 million pounds from 56,000 pounds a year ago.

Cheese exports rose more than 2 percent to 43.2 million pounds. Principal takers in both years were Western Germany with 17.4 million pounds compared with 16.5 million pounds last year, and Belgium with 11.8 million pounds as against 12.2 million pounds in the earlier year. Sales to the United Kingdom were 3.7 million pounds and 3.4 million pounds.

Exports of condensed milk at 107.9 million pounds were up 4 percent. As in the earlier year, the principal markets in January-March, 1956, were Thailand, French North Africa, the Republic of the Philippines and Malaya.

Dried whole milk exports amounted to 12.2 million pounds, an increase of 14 percent over the earlier year. Belgium continued to be an important outlet, taking 2.3 million pounds in first quarter 1956, compared with 2.1 million pounds in the corresponding quarter of 1955. Shipments of 2.0 million pounds were made to Venezuela in both years.

Exports of non-fat dry milk solids declined from 6.2 million pounds to 2.9 million pounds. Decreases in shipments to Denmark and Western Germany were not offset by heavier exports to India in this quarter.

GUATEMALA ANNOUNCES PLANS TO IMPORT CANADIAN DAIRY CATTLE.

The Guatemala National Production Development Institute (INFOP) will assist in the importation of dairy cattle from Canada by lending a total of \$500,000 to interested dairy farmers. The Ministry of Agriculture is accepting loan applications, and has announced plans to send a commission to Canada to select the dairy animals.

BOYCOTT USED IN FRENCH MILK PRICE DISPUTE

In protest against low summer milk prices, dairy producers in the Paris milkshed curtailed deliveries during June 10-12, 1955. Milk deliveries shrank to 6 percent of the normal 2.7-million-pound daily receipts. Picket lines were formed at processing plants in the Paris area to prevent all but emergency type supplies from leaking into the normal marketing channels.

The Minister of Finance reportedly refused milk producers' demands for an increased milk price, but mentioned the possibility of raising the butter floor price from 64.8 to 68.0 cents per pound. The day after the strike was to end, an interministerial committee was to study measures which might aid French milk producers, particularly a slight increase in the basic price.

The boycott of the Paris market was ended on June 13, but it was several days before deliveries were normal. In the meantime, the strike spread to the Lyon and Toulouse and Puy-de-Dome areas in a continuation of farmers' protests.

Present milk prices were not reported, but during 1955 the summer (May to September) producer price was \$2.79 per cwt. This is 41 cents per cwt. under the winter price. Retail prices during the same periods were 11.1 and 12.1 cents per quart, respectively.

The Government is discussing the "winter price" for milk for the forthcoming season. Farmers have been advised to observe a strike truce until producers' associations have made a general survey of the Government's price policy. However, milk producers remained adamant in their demands for higher milk prices, and threatened a more extensive use of the strike procedure.

CONSTRUCTION OF NEW DAIRY PLANT IN IRAQ

A pasteurizing and processing plant is under construction at Abu Ghraib, Iraq. Total cost of the project, which is to include a modern village for Baghdad farmers and facilities for their herds, is estimated at \$3 million. UNICEF is contributing \$280,000 toward the cost. Buffalo and native cattle will be the source of milk.

Plans call for future developments near other major cities in Iraq. Presently, several large centers are favored, but some Government officials believe a larger number of small, scattered plants would be more successful.

LARGER GREEK RAISIN AND CURRANT CROPS FORECAST

Preliminary forecasts, which this early in the season are subject to substantial revision, indicate larger raisin and currant crops in Greece this year.

The raisin (sultana) crop is forecast at 50,000 short tons, or 7,000 tons more than the 1955 production and nearly 12,000 tons more than the 5-year average (1949-53) of 38,100 tons.

The currant crop, which normally accounts for 85 percent of the world's production, is forecast at 88,000 short tons. This represents a considerable increase over last year's short crop of 63,000 tons. Average production (1949-53) is 89,700 tons.

GREEK FIG CROP EXPECTED TO BE ABOUT THE SAME AS LAST YEAR

The 1956 dried fig crop in Greece is forecast at 27,500 short tons, or about the same as last year's crop of 28,000 tons. Average production (1949-53) is 26,500 tons. Forecasts this early in the season are preliminary and subject to material changes.

COFFEE PRODUCTION DEVELOPING IN PANAMA

Panama has not, until 1955, been considered as an exporter of coffee. Production for the years 1951 through 1954 was equivalent to the internal consumption, and averaged 42,000 bags annually.

Reacting to the mounting world coffee price in 1954, the industry in Panama, with the assistance of the Institute and the Foreign Operations Administration (FOA), increased plantings in anticipation of possibly disposing of excess production abroad.

According to recent despatches, the 1954-55 coffee crop amounted to 48,000 bags with some 13 million trees producing. Exports in 1955 totaled 10,706 bags. The 1955-56 crop is expected to be 20-25 percent less than the previous crop due to heavy rains during the blooming season, an increase in leaf disease, and the lack of replacement of old trees. The support price for the 1955-56 crop is \$52 a quintal, Boquete, first class. The price was reduced from the 1954-55 price, reportedly because of the Government's difficulty in marketing the large 1955 surplus with world prices declining. Production costs are placed at \$25 to \$35 a quintal. Production is expected to increase over the next few years since growers are using better methods and improved varieties of plants. The Government expects the 1956-57 crop to reach 69,000 bags. The coffee berries are hand-picked and there was no shortage of labor during 1955.

Coffee production is being stimulated by the Price supports of B52.00 per quintal for first quality, fermented, high elevation (Boquete) coffee and B42.00 per quintal for inferior qualities. The stimulating effect of price supports will be felt in larger production increases a few years hence due to the lag in initiation of production after new plantings. This governmental stimulus plus the good world market prices will place Panama among the coffee exporting nations.

PROSPECTS EXCELLENT FOR RECORD
1956-57 COSTA RICAN COFFEE CROP

There are excellent prospects that the 1956/57 Costa Rican coffee crop will exceed the Foreign Agricultural Service forecast of 613,000 bags. Such a crop would not only exceed the 1955/56 production by more than 50 percent but would even surpass the record 1954/55 crop which amounted to over 566,138 bags. This forecast for the 1956/57 crop is likely to be realized provided the coffee plants are not subjected to excessive moisture from abnormal or prolonged rainfall. The rainy season did begin somewhat early in Costa Rica but, thus far, there has been no appreciable reduction in the potential yield.

Technology and Credit Important Factors

In recent years, good crops have alternated with bad or less favorable crops. The bumper crops of 1952/53 and 1954/55 were followed by smaller crops in 1953-54 and 1955/56. This has been a pattern in coffee yields in Costa Rica over an extended period of time so it is expected that with the normal crop fluctuation this year's crop will exceed the smaller 1955/56 yield.

However, two other factors in the production picture are having an increasing impact. New plantings and use of fertilizers with new techniques are reflected in a marked increase in yields. As prices improved since 1952 the interest in expanding and improving production was assisted by a 100 percent increase in the credit facilities of the national banking system. The full effect of these expanded operations will be felt in the coming crop.

Fertilizer imports and use, particularly, have been stimulated through new type credit operations. At the present time, approximately CR \$6.5 million is on loan for this purpose and recently the Central Bank increased the ceiling for such loans to a total of CR \$9.7 million. Along with the increased use of fertilizers have gone research and experiments in their more efficient use. Spectacular results have been obtained and new methods have been applied to 15,000 acres under cultivation that promise to produce really significant increases in yield.

IRAN'S VEGETABLE OILSEED PRODUCTION MAY DECLINE SLIGHTLY; OIL PRODUCTION SEEN UP

Iran's vegetable oilseed production in 1956, forecast at around 159,000 short tons, may be about 4 percent less than in 1955. An increase of roughly 10 percent is forecast for cottonseed, by far the most important oilseed produced in Iran. However, this increase is expected to be more than offset by a decline in poppy seed output from 16,500 tons in 1955 to a negligible quantity this year.

Vegetable oil production forecast at 18,300 tons may increase around 4 percent, because of the expectation of a substantial expansion in olive oil production and a slight increase in cottonseed oil production.

IRAN: Oilseed and vegetable oil production, annual
1954 and 1955, and forecast 1956

(Short tons)

	1954	1955	Forecast 1956
Oilseed			
Cottonseed.....	99,200	121,250	132,275
Sesame seed.....	11,025	11,025	11,025
Castor beans.....	8,270	8,820	8,820
Poppy seed.....	16,535	16,535	1/
Flaxseed.....	4,410	4,410	4,410
Others.....	2,645	2,645	2,645
Total.....	142,085	164,685	159,175
Vegetable oil			
Cottonseed.....	9,925	10,805	11,025
Sesame seed.....	1,940	2,185	2,185
Castor bean.....	2,425	2,425	2,425
Poppy seed.....	925	1,100	1,100
Linseed.....	595	595	595
Olive.....	880	220	770
Others.....	200	200	200
Total.....	16,890	17,530	18,300

1/ Negligible

Compiled from official and unofficial sources.

Exports of fats and oils commodities from Iran for the Iranian year March 21, 1954 to March 21, 1955 (latest data available) consisted largely of the following in short tons (excepting flaxseed which is in bushels): Castor beans - 1,357; poppy seed - 8,506; cottonseed - 5,532; sesame seed - 3,138; sunflower seed - 245; and flaxseed - 190,619. Major imports were as follows in short tons: Palm and coconut oil - 3,548; castor oil - 313; hydrogenated oils and fats - 5,751; other vegetable oils - 2,327; margarine and other edible vegetable oils - 768; and animal oils - 1,684.

The signing of an agreement between the Government of Iran and the United States under Title I of Public Law 480, on February 20, 1956 was expected to facilitate the importation into Iran of 2,000 metric tons of hydrogenated vegetable oils, 5,000 tons of butter ghee, and 500 tons of butter from the United States. Prior to that time there was an embargo on butter or butter oil imports. However, these items presently are admitted free although there is still a duty on vegetable oils.

It is expected that there will be an additional market for the 2,000 tons of hydrogenated vegetable oil. The butter market will be largely new. There undoubtedly will be some competition between butter and butter oils and vegetable fats and oils.

ITALY IMPORTS LESS U. S. COTTON IN 1955-56

Italy's imports of 58,000 bales (500 pounds gross) of United States cotton during August-February 1955-56 represented a reduction of 60 percent from the 147,000 bales imported during the same months of 1954-55. Volume of total cotton imports declined only 2 percent from the 363,000 bales imported from all sources during August-February 1954-55 to 357,000 bales in the current period. Increased imports from Greece, Sudan, Pakistan, and Egypt offset most of the decline in United States cotton.

Cotton mill consumption in Italy during the first 8 months of the 1955-56 season, reported at 488,000 bales, was down 11 percent from the 546,000 bales consumed in August-March 1954-55. Declines in export demand for textile products were considered to be the principal cause of the reduction in cotton consumption, although the domestic market is also slow. Many mills have reduced operating schedules and are using slack hours for modernizing and re-equipping plants. Competition from rayon fabrics, reportedly has not been a significant factor in the low demand for cotton fabrics, since the proportion of rayon to total fiber consumption has risen only from 1 percent in 1950-51 to 11 percent in the 4 succeeding years.

Italy produces a small quantity of cotton for domestic consumption. Production in August-July 1955-56 was estimated at 63,000 bales as compared with 44,000 in 1954-55. These quantities amount to approximately 8 and 6 percent respectively, of total cotton consumption. Production for 1956-57 is estimated by the trade at about 30,000 bales.

Italy's cotton stocks on March 31, 1956, were estimated at 222,000 bales or approximately the same as the 225,000 bales held a year earlier. Stocks of United States cotton accounted for 16 percent of the current total as compared to 35 percent a year ago.

Spinners' interest in United States cotton has recently shown a marked improvement as compared to the lethargy preceeding the export sales announcement. Prices prevailing for United States cotton at that time were 10 to 20 percent higher than those for comparable foreign growths. Since then the whole situation has changed. Prices for United States growths at present are in line with offers from most other producing countries, and spinners generally prefer United States cotton even when it is slightly higher in price. Not many offers of other new crop cotton are being received at present, although the trade expects highly competitive pricing later on.

Recent quotations of various growths on the Italian market, according to private trade sources, are shown on the opposite page.

ITALY: Imports of cotton from major countries of origin,
averages 1934-38 and 1945-49, annual 1952-54,
August-February 1954-55 and 1955-56

(Bales of 500 pounds gross)							
Country of origin	Year beginning August 1					August-February	
	Average		1952	1953	1954	1954-55	1955-56
	1934-38	1945-49					
----- 1,000 bales -----							
Brazil.....	24	100	1/	92	81	52	37
Egypt.....	126	142	172	118	77	44	54
Greece.....	1/	1/	2/	13	25	14	52
India.....	92	33	14	4	5	2	15
Iran.....	1/	1/	3	5	22	6	11
Mexico.....	3/ 1	17	13	6	12	6	21
Pakistan.....	4/	4/	34	62	29	10	24
Peru.....	5/ 3	8	1	3	1	1	1/
Sudan.....	1/	1/	10	31	27	14	31
Syria.....	6/ 1	6/ 1	12	13	29	4	17
Turkey.....	3/ 14	1/	87	97	23	11	17
United States.....	416	457	390	233	251	147	58
U. S. S. R.....	1/	1/	1/	16	43	37	9
Other countries.....	27	33	37	42	30	15	11
Total.....	704	791	773	735	655	363	357
1/ If any, included in other countries. 2/ Less than 500 bales. 3/ Calendar years prior to 1937-38. 4/ Included in India. 5/ Calendar years prior to 1936-37. 6/ 2-year average.							

Source: Statistica del Commercio con L'Estero, Agricultural Attaches, and other United States representatives abroad.

ITALY: COTTON PRICES AT ITALIAN PORTS,
C.I.F. CONTRACTS, IN U.S. CENTS PER LB.

U.S.A.: New export sale program, August-September shipment, shippers option to ship Commodity Credit Corporation (CCC) cotton.

	<u>7/8"</u>	<u>15/16"</u>	<u>1"</u>	<u>1-1/32"</u>	<u>1-1/16"</u>	<u>1-3/32"</u>	<u>1-1/8"</u>
Good Middling	29.40	31.55	32.85	34.20	34.70	35.30	36.30
Strict Mid.	28.35	30.50	31.80	32.95	33.50	34.00	34.75
Middling	27.30	29.45	30.75	31.35	31.90	32.45	32.90
St. Low Mid.	25.20	27.35	28.65	29.25	29.55	29.80	30.30
Low Middling	23.10	25.25	-	-	-	-	-

California, Arizona, same prices as Orl/Texas staple 1-1/16" through 1-1/8"

Mexico: Growth: Matamoros, Laguna, Sinaloa-Sonora, new-crop cotton September-October shipment, basis New York Market December futures 32.50.

	<u>1-1/32"</u>	<u>1-1/16"</u>	<u>1-3/32"</u>
Good Middling	33.70	33.95	34.20
Strict Middling	32.90	33.15	33.40
Middling	31.90	32.15	32.40

The importer of Mexican cotton must pay a premium (not included above) of about 2½ percent to obtain dollar financing.

Greece: New-crop-cotton, September-October shipment, sellers' option

Strict Middling	25-26 mm.	1 inch	31.80
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Syria: New-crop cotton, October-November shipment

Strict Middling	1-1/16"	33.00
Middling	1-1/32"	32.00

Dollars to pay for this cotton are available from Italian exporters at a premium of about from 5 to 6 percent.

Pakistan: June-July shipment.

LSS	about U.S. Middling color, Strict Low Mid. leaf 15/16"	35.00
NT	about U.S. Strict Low Middling 1 inch	34.90
289F	about U.S. Strict Low Middling 1 inch	36.10
4F	about U.S. Strict Low Middling 7/8 inch	33.35

Uganda: July-August shipment.

AR/BP 52	about U.S. Strict Middling 1½/32 inches	47.80
AR/Jinja	about U.S. Strict Middling 1-1/16 inches	42.00

Egypt: old crop, June shipment

Karnak	Fully Good	89.50
Menoufi	Fully Good	80.50
Giza 30		70.00
Ashmouni	Fully Good	62.00

Egypt: new crop, November shipment

Karnak, Fully Good	80.50
Menoufi Fully Good	70.50
Giza 30	60.00
Ashmouni Fully Good	53.00

INDIAN COFFEE FOR RUSSIA

A further development in India-Soviet Bloc economic and technical ties is indicated by the following dispatch from New Delhi, India.

"Five hundred long tons of Indian coffee valued at 4 million rupees and destined for Soviet Russia, will form the first consignment for the account of newly established State Trading Corporation, according to news reports of June 11. The Russian steamer, "Stavropol" is expected to lift the consignment from Cochin on June 13 for delivery at the Soviet Black Sea port of Odessa."

Shipments of Indian coffee to Russia will reportedly be governed by the Commodity Exchange Arrangement under which India is to export coffee and iron to the Soviet Union, and import cement, steel and iron products from that country.

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World Rice Crop Reaches Record Level. Foreign Agriculture Circular FR 4-56.

Cuban Production and Consumption of Fertilizers Increases. Foreign Agriculture Circular FATP 18-56.

1956 Italian Walnut Outlook. Foreign Agriculture Circular FN 6-56.

Foreign Agricultural Trade of the United States. Trade by countries for calendar year 1955.